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**C. W. Moorman**  
Chairman and  
Chief Executive Officer

October 13, 2014

The Honorable Daniel R. Elliott, III  
Chairman  
Surface Transportation Board  
395 E Street, S.W.  
Washington, D.C. 20423-0001

Dear Chairman Elliott:

I write in response to your October 6, 2014, letter regarding Amtrak train performance. I appreciate the opportunity to explain further Norfolk Southern's plans to improve Amtrak's performance over our lines. As you detailed, although many Amtrak trains on NS are running at or near historic service levels, Amtrak trains have experienced atypical and lengthy delays over our Chicago Line between Toledo and Chicago in recent months. Such delays are not unique or specific to Amtrak, but instead are symptomatic of the broader network service challenges facing Norfolk Southern. As I described in my letter of September 15<sup>th</sup>, Norfolk Southern has seen unanticipated and sustained volume growth across many segments of our network since early this year, leading to a loss in network velocity for freight and passenger traffic alike. These developments in particular have affected traffic utilizing our Chicago Line.

Recognizing the impact of these challenges on the performance of passenger trains, Norfolk Southern has maintained close communication with Amtrak and has been working to implement several measures that should benefit Amtrak service. Because current Amtrak performance issues are derivative of Norfolk Southern's network challenges, these steps include a mix of both passenger-specific projects and other initiatives that will benefit Amtrak trains by improving overall network velocity and performance. As each individual measure is implemented over the coming months, Norfolk Southern expects to see incremental improvement to Amtrak service. We will also continue to investigate and discuss measures with Amtrak that provide the potential for additional gains.

#### **I. Amtrak Train Performance on Norfolk Southern**

Norfolk Southern hosts fourteen Amtrak services over its lines, with an average of thirty-two trains per day. These include the Capitol Limited, Cardinal, Crescent, Lake Shore Limited, and Silver Star long distance services, as well as the state-supported Carolinian, Blue Water, Pere Marquette, Wolverine, Hoosier State, Pennsylvanian, Piedmont, Norfolk, and Lynchburg services. Most of these services do not run exclusively on Norfolk Southern, but instead are routed over multiple host railroads.

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As I explained in my letter of September 15<sup>th</sup>, severe winter weather in the first quarter and subsequent strong and unanticipated volume growth have presented operating challenges and reduced our network velocity. Such impacts of course affect Norfolk Southern's freight service, but they are also felt by passenger services sharing our rail lines. Despite these challenges, Amtrak trains operating across most of our territory have not seen significant variations from their historic service levels. Instead, the primary location of increased delays to Amtrak trains has been Norfolk Southern's Chicago Line between Cleveland and Chicago, on our Northern Region.

## **II. Chicago Line**

As your letter recognized, Amtrak trains operating over Norfolk Southern's Chicago Line have incurred significant and atypical delays in recent months. These include: (1) the Capitol Limited, which runs daily between Washington, D.C., and Chicago, including 481 miles over NS between Pittsburgh and Chicago; (2) the Lake Shore Limited, which runs daily between New York and Chicago, including 339 miles over NS between Cleveland and Chicago; and (3) the three Michigan services (the Blue Water, the Pere Marquette, and the Wolverine), which operate over the 39 miles between Porter, Indiana, and Chicago. In total, Amtrak operates fourteen trains a day over Norfolk Southern between Porter and Chicago.

Norfolk Southern's Chicago Line is the busiest corridor on our system, and other carriers, including Canadian Pacific and CSX, also have operating rights over our network in this area. On average, more than 110 trains operate every day between Chicago and Elkhart, Indiana, the location of a major Norfolk Southern yard. Heavy traffic extends all the way east to Toledo, with around 100 trains per day operating between Toledo and Elkhart.

Current operations over the Chicago Line face three major and distinct challenges. First, as the Board is well aware, congestion in and around the Chicago gateway limits operational flexibility. Every railroad is dependent on its interchange partners to receive and release trains, and all of the Class I railroads have experienced lower train speeds this year, impacting cycle times. As a result, trains often must be staged along the route into Chicago until they can be interchanged, decreasing available yard and track capacity.

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Second, volumes have surged on our network this year, including on the Northern Region. For example, our combined loaded and empty volumes at the Chicago terminal are up over 7 percent from the third quarter of 2013. We particularly have seen increased volumes in unit trains carrying crude oil coming from our western interchange partners. At the same time, our reduced network velocity requires more locomotives, more railcars, and more crews to move the same amount of freight. The combination has resulted in a shortage of sufficient, qualified Train & Engine ("T&E") employees on the Northern Region, as well as a strain on available locomotive power. More freight trains on the line, and insufficient crews or power to keep them moving consistently, pose additional obstacles to maintaining fluidity.

Third, Norfolk Southern in recent months has implemented several improvement projects on the Chicago Line. Many of these are signal upgrades necessary for installation of Positive Train Control ("PTC"). PTC signal construction began on the Chicago Line in March and is ongoing, with expected completion in 2015. Although construction is scheduled to coincide with other planned maintenance when possible, at times work has impacted train traffic, including in particular two major signal cut-ins in the Toledo area in May and August. We have also been carrying out our regular maintenance program and working on additional improvements, many of which are detailed below, that are intended to enhance fluidity on the line. Included in these are components of the Indiana Gateway project, which is specifically designed to benefit the cited Amtrak services and is scheduled for completion in 2016.

### **III. Causes of Delay**

My previous letter detailed the impacts of Norfolk Southern's network challenges on freight service. Of course, Amtrak trains already receive first priority in dispatching on our Chicago Line, as they do on all parts of our network. But freight congestion and decreased capacity slow all traffic by increasing the number of trains that must be passed while reducing the possibilities to avoid such meets. Moreover, when freight trains experience mechanical issues or their crews run out of time, they more frequently have had to tie down on the main line. These delays can have a cascading effect.

Such occurrences have affected the Capitol Limited, Lake Shore Limited, and Michigan trains primarily between Elkhart and Chicago, although in the last few weeks delays have at times extended east of Elkhart. Weaving Amtrak trains in and around stopped trains has caused many of the most severe delays, and congestion getting in and out of Elkhart Yard has ramifications for all operations through that area. Planned maintenance programs and outages required for PTC installation have also impacted available track capacity.

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#### IV. Steps NS Is Taking to Improve Amtrak Performance

We are in the process of implementing a wide range of measures to improve Amtrak's performance on our lines. Because Amtrak's issues are symptomatic of Norfolk Southern's broader service challenges on the Northern Region, many of these steps will improve the performance of passenger service through improvements to our overall operations in that area:

- **Crews:** In response to crew shortages, Norfolk Southern ramped up hiring at a very quick pace, with approximately 1,400 current trainees and approved hires now in process. New conductors will be targeted to the Northern Region between Chicago and New Jersey. We expect to hire another 300 crew this year and anticipate hiring 1,200 to 1,500 next year to meet both projected growth and fill normal attrition. Moreover, because the hiring and training process takes time, Norfolk Southern is paying incentives, along with room and board, for over a hundred employees to temporarily shift to the Northern Region and mark-up for sixty days, and we reassigned twenty-three additional Transportation supervisors to the area. We are also offering incentives for T&E employees to defer retirement, for furloughed employees to relocate, and for T&E employees to forego vacation at peak times.
- **Locomotives:** Norfolk Southern will receive delivery of fifty new locomotives beginning in November. We are also acquiring and rehabilitating approximately 100 used locomotives that are in various states of delivery, and the majority will be available for service by the end of the 2014.
- **Service Design Changes:** We have implemented design changes to over twenty trains, moving traffic off of the Dearborn Division or out of Elkhart Yard to relieve congestion. We are also rerouting traffic previously interchanging in Chicago to Kansas City, St. Louis, and Streator, Illinois, where possible, and have entered a tactical agreement with Union Pacific to relocate transfers between our railroads to Kansas City.

We are also implementing or nearing completion on several projects that will impact passenger service directly:

- **Englewood Flyover:** The Englewood Flyover, which became operational only within the past week, now separates approximately seventy Metra commuter trains from interfering with Amtrak trains operating over Norfolk Southern on Chicago's South Side.

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- **Track Work:** Norfolk Southern has substantially completed its heaviest program track work on the Chicago Line for the year, including over sixty miles of rail replacement and over one hundred miles of tie and surfacing work. As we reduce maintenance activity heading into the winter months, we should see a corresponding reduction in related delays and outages.
- **Bellevue Yard:** In December, Norfolk Southern expects to complete the \$160 million capacity expansion at our Bellevue, Ohio, classification yard. This strategic investment, which NS accelerated in response to consumer demand, will provide additional capacity to our Northern Region and improve the fluidity of our network by reducing car handling and car miles. The Bellevue expansion should also reduce mainline congestion on the Chicago Line by allowing more trains to bypass our busy Elkhart Yard.
- **Capacity Additions:** Many additional cross-overs are being installed between Chicago and Elkhart and more are under consideration. Such projects improve operating flexibility and increase the opportunities to route trains around congestion when it arises.
- **Other Capital Projects:** Norfolk Southern should complete the extension of a siding in Goshen, Indiana, early next year, allowing trains traveling between our Marion District and Elkhart Yard to bypass the Chicago Line altogether. Although on a longer timeframe, portions of the Indiana Gateway project are already under construction as part of a plan to improve seven locations on Norfolk Southern's Chicago Line and one on the Amtrak Michigan Line specifically to benefit Amtrak service.

## V. Communication with Amtrak

Additionally, Norfolk Southern continues to investigate and discuss potential temporary routing changes with Amtrak, as well as examine possibilities for permanent alternative routing that could minimize delays. Norfolk Southern understands the consequences of lengthy delays to Amtrak and its passengers and strives to be transparent about these issues. Our Joint Facilities group works closely with Amtrak's Host Railroad Group to share information about conditions impacting passenger services and explore opportunities for improvements. This includes providing our upcoming annual maintenance production schedule in the fourth quarter of the preceding year and updating such information continually as those schedules change. Amtrak also has access to our dispatching system so that they can monitor their trains in real-time. We have increased our other communications, including inviting Amtrak to visit and observe our dispatching center in Dearborn, Michigan, and holding recent discussions between senior-level executives. More broadly, last month we began publishing system-wide monthly service updates on our website.

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## VI. Conclusion

Norfolk Southern recognizes that Amtrak's performance on several of its trains operating between Toledo and Chicago has been significantly reduced over the preceding months. We are working hard to implement the plans outlined above to improve this situation, and we remain dedicated to improving network velocity for the benefit of all trains operating over our lines. Each of the steps discussed should provide incremental improvement to Amtrak service once implemented. Because NS is pursuing several measures with different timeframes, and because these issues largely stem from network challenges resulting from increased volumes, we cannot point to any single date when service will return to normal levels. Instead, improvement is expected to be gradual over the coming months and will still be subject to outside factors including interdependent operations over the Chicago gateway and weather. We will continue to work closely with Amtrak to identify other specific measures that might benefit and improve passenger train performance.

In closing, I thank you for your inquiry.

Sincerely,



cc: The Honorable Deb Miller, Vice Chairman  
The Honorable Ann D. Begeman, Commissioner